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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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IRINA VORONINA, CIELO JEAN GIBSON, TIFFANY TOTH, JAIME EDMONDSON, JESSICA BURCIAGA, SARA UNDERWOOD, CARMEN ELECTRA, JESSA HINTON, JOANNA KRUPA, JASMINE WALTZ, JESSICA KILLINGS, SANDRA VALENCIA, CARISSA ROSARIO, JENNIFER WALCOTT ARCHULETTA, MARIANNA DAVALOS, MERCEDES TERRELL, JORDAN CARVER, KATE SULLIVAN, LAURIE JACOBS, BRENDA GEIGER, BROOKE JOHNSON, CHANTEL ZALES, CORA SKINNER, DESSIE MITCHESON, LAURIE YOUNG, LINA POSADA, MEGAN DANIELS, RACHEL KOREN, VIDA GUERRA, MARKETA KAZDOVA, EVA PEPAJ, MELANIE IGLESIAS, GEMMA LEE FARRELL, ALYSSA NOBRIGA, HEATHER RAE YOUNG, JAMIE MIDDLETON, ROSA ACOSTA, PAOLO CANAS, BROOKE BANX, DANA HAMM, MASHA LUND, SHEENA LEE, WEBER, URSULA MAYES, KARA MONACO, PIA MUEHLENBECK, SABELLA SHAKE, SARAH ELIZABETH BOWERS, KIM COZZENS, JESSE GOLDEN, and KRYSTAL FORSCUTT HIPWELL,

Plaintiffs,

-against-

SCORES HOLDING COMPANY, INC., I.M. OPERATING, LLC d/b/a SCORES NEW YORK, THE EXECUTIVE CLUB, LLC d/b/a PENTHOUSE EXECUTIVE CLUB and ROBERT M. GANS,

Defendants.

Case No.: 16-cv-02477-LAK

THIRD-PARTY COMPLAINT

JURY TRIAL DEMANDED

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SCORES HOLDING COMPANY, INC.

Third-Party Plaintiff,

-against-

CG CONSULTING, LLC; ANTHONY QUARANTA; HIGH FIVE MANAGEMENT GROUP, INC.; CLUB 2000 EASTERN AVENUE, INC.; SCMD, LLC; DAVID BAUCOM; MANHATTAN FASHION L.L.C; STONE PARK ENTERTAINMENT, INC.; SILVER BOURBON INC.; TAMPA FOOD & ENTERTAINMENT INC.; FUUN HOUSE PRODUCTIONS, L.L.C.; NORM A PROPERTIES LLC; SOUTHEAST SHOW CLUBS, LLC; MICHAEL TOMKOVICH; PALM SPRINGS GRILL LLC; HOUSTON KP, LLC; STAR LIGHT EVENTS LLC,

Third-Party Defendants.

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Defendant/Third-Party Plaintiff SCORES HOLDING COMPANY, INC. ("Scores Holding" or "Third-Party Plaintiff"), by and though its attorneys, MEISTER SEELIG & FEIN LLP, for its Third-Party Complaint, pursuant to Federal Rule of Civil Procedure 14, against third-party defendants CG CONSULTING, LLC; ANTHONY QUARANTA; HIGH FIVE MANAGEMENT GROUP, INC.; CLUB 2000 EASTERN AVENUE, INC.; SCMD, LLC; DAVID BAUCOM; MANHATTAN FASHION L.L.C.; STONE PARK ENTERTAINMENT, INC.; SILVER BOURBON INC.; TAMPA FOOD & ENTERTAINMENT INC.; FUUN HOUSE PRODUCTIONS, L.L.C.; NORM A PROPERTIES LLC; SOUTHEAST SHOW CLUBS, LLC; MICHAEL TOMKOVICH; PALM SPRINGS GRILL LLC; HOUSTON KP, LLC; and STAR LIGHT EVENTS LLC (collectively, "Third-Party Defendants"), alleges, upon information and belief, as follows:

NATURE OF ACTION

1. Plaintiffs Irina Voronina, Cielo Jean Gibson, Tiffany Toth, Jaime Edmondson, Jessica Burciaga, Sara Underwood, Carmen Electra, Jessa Hinton, Joanna Krupa, Jasmine Waltz, Jessica Killings, Sandra Velencia, Carissa Rosario, Jennifer Walcott Archuletta, Marianna Davalos, Mercedes Terrell, Jordon Carver, Kate Sullivan, Laurie Jacobs, Brenda Geiger, Brooke Johnson, Chantel Zales, Cora Skinner, Dessie Mitcheson, Laurie Young, Lina Posada, Megan Daniels, Rachel Koren, Vida Guerra, Marketa Kazdova, Eva Pepaj, Melianie Iglesias, Gemma Lee Farrell, Alyssa Nobriga, Heather Rae Young, Jamie Middleton, Rosa Acosta, Paola Canas, Brooke Banx, Dana Hamm, Masha Lund, Sheena Lee Weber, Ursula Mayes, Kara Monaco, Pia Muehlenbeck, Sabella Shake, Saraj Elizabeth Bowers, Kim Cozzens, Jessen Golden and Krystal Forscutt Hipwell (collectively, "Plaintiffs") commenced an action against Scores Holding, I.M. Operating, LLC, The Executive Club, LLC and Robert M. Gans (collectively, "Defendants") in which they assert claims for false endorsement in violation of § 43 of the Lanham Act, 28 U.S.C. § 1125, *et seq.*, violation of N.Y. Civil Rights Law §§ 50-51, violation of New York's Deceptive Trade Practices Act, N.Y. General Business Law § 349, as well as for defamation (the "Amended Complaint"). A true and correct copy of Plaintiffs' Amended Complaint along with all exhibits is attached hereto as **Exhibit 1**.

2. As more specifically set forth in **Exhibit 1**, Plaintiffs seek damages and injunctive relief arising out of the alleged misappropriation, alteration and unauthorized publication of their images to promote certain gentlemen's clubs located throughout the United States via the Internet, namely on websites and social media outlets such as Facebook, Twitter, Instagram and Google+. *Id*. The Amended Complaint describes the Plaintiffs, their alleged comparative "success" as models and/or actresses, and their purported need to be vigilant in protecting their "brands." *Id.* Plaintiffs maintain that the use of their images to market and/or promote the various clubs creates a false

impression that Plaintiffs either worked at, or endorsed, one or more of the clubs and, as a consequence, consumers were allegedly misled as to Plaintiffs' affiliation with a particular club, and Plaintiffs' respective professional reputations, and ability to market themselves, was injured. *Id*.

3. Defendants' First Amended Answer to the Amended Complaint is attached hereto as **Exhibit 2**.

4. As set forth herein, any harm allegedly suffered by Plaintiffs as alleged in the Amended Complaint was legally and proximately caused by the Third-Party Defendants who own, control, operate and/or manage the various clubs, along with such websites and/or social media outlets implicated in the Amended Complaint. As such, Third-Party Defendants are, *inter alia*, in breach of their respective license agreements, including for breach of certain warranties and representations contained therein, and are each contractually obligated to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors and others in connection with the claims asserted in the Amended Complaint, including, but not limited to, any resulting judgment, verdict or settlement obtained by Plaintiffs based on any of the claims asserted in the Amended Complaint, as well as all amounts Scores Holding has expended, and will continue to expend, in investigating and defending the claims asserted against it in the Amended Complaint, including, but not limited to, attorneys' fees and costs.

PARTIES

5. Third-Party Plaintiff SCORES HOLDING COMPANY, INC. ("Scores Holding") is a Utah corporation with a principal place of business at 533-535 West 27th Street, New York, New York 10036.

6. Upon information and belief, Third-Party Defendant CG CONSULTING, LLC ("CG Consulting") is an Ohio limited liability company with a principal place of business at 5411 Bethel

Sawmill Road, Columbus, Ohio 43235. Upon information and belief, CG Consulting owns, operates, controls and/or manages SCORES COLUMBUS, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

7. Upon information and belief, Third-Party Defendant ANTHONY QUARANTA ("Quaranta") is an individual residing at 410 Geneva Avenue, Elmhurst, Illinois 60126 and has an office located at 9148 Melton Road, Gary Indiana 46403. Upon information and belief, Quaranta owns, operates, controls and/or manages SCORES NWI (Indiana), including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

8. Upon information and belief, Third-Party Defendant HIGH FIVE MANAGEMENT GROUP, INC. also known as High Five Management, Inc. ("High Five") is a South Carolina corporation with a principal place of business at 450 Airport Road, Greenville, South Carolina 29607. Upon information and belief, High Five owns, operates, controls and/or manages SCORES PRESENTS: THE TROPHY CLUB, GREENVILLE, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

9. Upon information and belief, Third-Party Defendant CLUB 2000 EASTERN AVENUE, INC. ("Club 2000") is a Maryland corporation with a principal place of business at 502 Washington Avenue, Towson, Maryland 21204. Upon information and belief, Club 2000 owns, operates, controls and/or manages SCORES BALTIMORE, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

10. Upon information and belief, Third-Party Defendant SCMD LLC ("SCMD") is a Maryland limited liability company with a principal place of business at 615 Fallsway, Baltimore, Maryland 21202. Upon information and belief, SCMD is the successor-in-interest to Club 2000

and also owns, operates, controls and/or manages SCORES BALTIMORE, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

11. Upon information and belief, Third-Party Defendant DAVID BAUCOM ("Baucom") is an individual residing at 1236 Mark Drive, Concord, North Carolina and has an office located at 8001 North Tyron Street, Charlotte, North Carolina 28262. Upon information and belief, Baucom owns, operates, controls and/or manages SCORES NORTH CAROLINA, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

12. Upon information and belief, Third-Party Defendant MANHATTAN FASHION L.L.C. ("Manhattan Fashion") is a Louisiana limited liability company with a principal place of business at 1555 Manhattan Blvd. Suite 2, Harvey, Louisiana 70058. Upon information and belief, Manhattan Fashion owns, operates, controls and/or manages SCORES WEST, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

13. Upon information and belief, Third-Party Defendant STONE PARK ENTERTAINMENT INC. ("Stone Park"), is an Illinois corporation with a principal place of business at 4003 West Lake Street, Stone Park, Illinois 60165 and/or 161 N. Clark Street, Suite 2700, Chicago, Illinois 60601. Upon information and belief, Stone Park owns, operates, controls and/or manages SCORES CHICAGO, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

14. Upon information and belief, Third-Party Defendant SILVER BOURBON, INC. ("Silver Bourbon") is a Louisiana corporation with a principal place of business at 416 Bourbon Street, New Orleans, Louisiana 70157. Upon information and belief, Silver Bourbon owns, operates,

controls and/or manages SCORES NEW ORLEANS, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

15. Upon information and belief, Third-Party Defendant TAMPA FOOD & ENTERTAINMENT, INC. ("Tampa Food") is a Florida corporation with a principal place of business at 1005 N. Marion Street, Tampa, Florida 33602. Upon information and belief, Tampa Food owns, operates, controls and/or manages SCORES TAMPA, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

16. Upon information and belief, Third-Party Defendant FUUN HOUSE PRODUCTIONS, L.L.C. ("Fuun House") is a Connecticut limited liability company with a principal place of business at 85 Saint John Street, New Haven, Connecticut 06477. Upon information and belief, Fuun House owns, operates, controls and/or manages SCORES NEW HAVEN, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

17. Upon information and belief, Third-Party Defendant NORM A PROPERTIES LLC ("Norm A") is a Michigan limited liability company with a principal place of business at 4925 Pelletier Boulevard, Orchard Lake, Michigan 48324. Upon information and belief, at all relevant times, Norm A owned, operated, controlled and/or managed SCORES DETROIT, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

18. Upon information and belief, Third-Party Defendant SOUTHEAST SHOWCLUBS, LLC ("Southeast Showclubs") is a Florida limited liability company with a principal place of business at 2973 Mayport Road, Jacksonville, Florida 32233 and/or 320 General Doolittle Drive, Jacksonville, Florida 32225. Upon information and belief, Southeast Showclubs owns, operates,

controls and/or manages SCORES PRESENTS: SAVANNAH and SCORES JACKSONVILLE, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint. Upon information and belief, Southeast Showclubs also owned, operated, controlled and/or managed SCORES PALM BEACH, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

19. Upon information and belief, Third-Party Defendant MICHAEL TOMKOVICH ("Tomkovich") is an individual residing at 3948 Sarah Brooke Court, Jacksonville, Florida 32277 and an office located at 2973 Mayport Road, Jacksonville, Florida 32233. Upon information and belief, Tomkovich also owns, operates, controls and/or manages SCORES PRESENTS: SAVANNAH and SCORES JACKSONVILLE, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint. Upon information and belief, Tomkovich also owned, operated, controlled and/or managed SCORES PALM BEACH, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

20. Upon information and belief, Third-Party Defendant PALM SPRINGS GRILL LLC ("Palm Springs") is a Florida limited liability company with a principal place of business at 3174 Lake Worth Road, Palm Springs, Florida 33461. Upon information and belief, Palm Springs owns, operates, controls and/or manages SCORES PALM BEACH II, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

21. Upon information and belief, Third-Party Defendant HOUSTON KP, LLC ("Houston KP") is a Texas limited liability company with a principal place of business at 6340 Westheimer Road, Houston, Texas 77057 and/or 1225 North Loop West, Suite 640, Houston Texas 77008.

Upon information and belief, Houston KP owns, operates, controls and/or manages SCORES HOUSTON, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

22. Upon information and belief, Third-Party Defendant STAR LIGHT EVENTS LLC ("Star Light") is a New York limited liability company with a principal place of business at 617 11th Avenue, New York, New York 11036. Upon information and belief, Star Light owns, operates, controls and/or manages SCORES ATLANTIC CITY, including any and all websites and/or social media outlets associated therewith, including those implicated in the Amended Complaint.

JURISDICTION AND VENUE

23. This Court has subject matter jurisdiction over the claims in the Amended Complaint pursuant to 28 U.S.C. § 1331 because Plaintiffs have asserted claims under, *inter alia*, Section 43 of the Lanham Act, 15 U.S.C. § 1125, *et seq*. This Court maintains supplemental jurisdiction over Third-Party Plaintiffs' claims against the Third-Party Defendants pursuant to 28 U.S.C. § 1367 because such claims are so related to the claims asserted in the Amended Complaint that they form part of the same case or controversy within the meaning of Article III of the United States Constitution.

24. As set forth herein, this Court maintains personal jurisdiction over each of the Third-Party Defendants because each of the Third-Party Defendants explicitly, voluntarily and irrevocably consented, and waived any objection, to jurisdiction in this Court.

25. Venue of this third-party action is based upon the venue of the underlying action commenced by Plaintiffs pursuant to Rule 14 of the Federal Rules of Civil Procedure. Furthermore, as set forth herein, venue is proper in this District as each of the Third-Party Defendants explicitly, voluntarily and irrevocably consented, and waived any objection, to venue in this District.

FACTUAL ALLEGATIONS

SCORES HOLDING'S LICENSING BUSINESS MODEL AND THE LICENSE AGREEMENTS AT ISSUE

26. Approximately twenty five years ago, Scores Holding's predecessor-in-interest founded a gentlemen's club in New York City under the name SCORES. Since that time, Scores Holding has been licensing its Scores trademarks to gentlemen's nightclubs and restaurants in the United States.

27. Scores Holding is the owner of the trademark SCORES and various related trademarks (collectively, the "SCORES Marks"). The SCORES Marks are registered for services including the following: cabaret and nightclub services, entertainment services, namely providing live dance performances, bar and restaurant services and cocktail lounge services. Specifically, as set forth below, establishments throughout the United States have been granted licenses, subject to certain terms, conditions and restrictions, by Scores Holding to use the SCORES Marks in association with the operation of the licensees businesses.

28. In addition to directly licensing the SCORES Marks to individuals and/or entities, Scores Holding previously granted a license to ENTERTAINMENT MANAGEMENT, INC. ("Entertainment Management") to grant sublicenses in connection with the SCORES Marks. On or about July 29, 2009, Entertainment Management was dissolved. In connection with such dissolution, Scores Holding became the successor of Entertainment Management and assignee of the license agreements entered into by Entertainment Management, including to all rights, interests and obligations thereunder.

29. Scores Licensing Corp. ("Scores Licensing"), a wholly owned subsidiary of Scores Holding, holds a master license authorizing it to engage in the licensing of the SCORES Marks. Scores Licensing is the licensor of certain of the SCORES Marks pursuant to certain license agreements. Such license agreements provide that Scores Holding, as the "Owner" of the Scores

Marks, is a third-party beneficiary and also a named indemnitee. Scores Holding, therefore, has the express right to enforce the terms of such license agreements, including, among other things, the right to enforce the contractual indemnification obligations of the Third-Party Defendants with respect to the allegations and claims asserted in the Amended Complaint.

30. Through the aforementioned license agreements, Scores Holding, as the owner of the SCORES Marks, has licensed certain of the SCORES Marks to the Third-Party Defendants for use, respectively, in connection with operating the following gentlemen's clubs: SCORES JACKSONVILLE; SCORES DETROIT, SCORES NORTH CAROLINA; SCORES PRESENTS: THE TROPHY CLUB, GREENVILLE; SCORES ATLANTIC CITY; SCORES PALM BEACH; SCORES WEST; SCORES TAMPA; SCORES NWI (Indiana); SCORES COLUMBUS; SCORES BALTIMORE; SCORES CHICAGO; SCORES HOUSTON; SCORES NEW ORLEANS; SCORES NEW HAVEN; and SCORES PRESENTS: SAVANNAH, as further discussed below.

Scores Columbus

31. On or about June 15, 2015, Scores Licensing entered into a "Scores Trademark License Agreement" with CG Consulting, in which CG Consulting was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Columbus, Ohio, to be operated under the name SCORES COLUMBUS (the "Scores Columbus License Agreement").

32. Pursuant to Paragraph 1(c) of the Scores Columbus License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores Columbus License Agreement.

33. Furthermore, Scores Holding is third-party beneficiary under the Scores Columbus License Agreement.

34. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Columbus License Agreement permits SCORES COLUMBUS to use the SCORES Marks to market, advertise and promote activities in connection therewith.

35. Specifically, Paragraph 4 of the Scores Columbus License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials. Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

36. Upon information and belief, at all relevant times the Scores Columbus License Agreement has been in effect, neither CG Consulting, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES COLUMBUS, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by CG Consulting, its directors, officers, members, managers, employees and/or agents.

37. Upon information and belief, at the very least, one (1) of the images implicated in the Amended Complaint was published and/or disseminated on a website and/or social media outlet associated with SCORES COLUMBUS, as depicted in **Exhibit 3** annexed hereto.

38. Additionally, Paragraph 5 of the Scores Columbus License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

39. Moreover, Paragraph 8 of the Scores Columbus License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

40. Paragraph 11 of the Scores Columbus License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

41. Paragraph 11 of the Scores Columbus License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least

> $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

42. Following commencement of the underlying action, Scores Holding sought confirmation from CG Consulting that it would comply with its indemnification and other applicable obligations as provided for in the Scores Columbus License Agreement as it concerns the claims asserted in the Amended Complaint; however, CG Consulting has failed to respond to such request.

43. Lastly, Paragraph 20 of the Scores Columbus License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores NWI (Indiana)

44. On or about May 14, 2014, Scores Licensing entered into a "Scores Presents Trademark License Agreement" with Quaranta, in which Quaranta was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Gary, Indiana, to be operated under the name SCORES NWI (the "Scores NWI License Agreement").

45. Pursuant to Paragraph 1(c) of the Scores NWI License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores NWI License Agreement.

46. Furthermore, Scores Holding is a third-party beneficiary under the Scores NWI License Agreement.

47. Among other things, and subject to certain conditions, limitations and restrictions, the Scores NWI License Agreement permits SCORES NWI to use the SCORES Marks to market, advertise and promote activities in connection therewith.

48. Specifically, Paragraph 4 of the Scores NWI License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

49. Upon information and belief, at all relevant times the Scores NWI License Agreement has been in effect, neither Quaranta, nor any of his directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES NWI, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Quaranta, his directors, officers, members, managers, employees and/or agents.

50. Upon information and belief, at the very least, seven (7) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES NWI, as depicted in **Exhibit 4** annexed hereto.

51. Additionally, Paragraph 5 of the Scores NWI License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

52. Moreover, Paragraph 8 of the Scores NWI License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

53. Paragraph 11 of the Scores NWI License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

54. Paragraph 11 of the Scores NWI License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and

> providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

55. Following commencement of the underlying action, Scores Holding sought confirmation from Quaranta that he would comply with his indemnification and other applicable obligations as provided for in the Scores NWI License Agreement as it concerns the claims asserted in the Amended Complaint; however, Quaranta has failed to respond to such request.

56. Lastly, Paragraph 20 of the Scores NWI License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores Presents: The Trophy Club Greenville

57. On or about April 20, 2015, Scores Licensing entered into a "Scores Presents Trademark License Agreement" with High Five, in which High Five was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Greenville, South Carolina, to be operated under the name SCORES PRESENTS: THE TROPHY CLUB GREENVILLE (the "Trophy Club License Agreement").

58. Pursuant to Paragraph 1(c) of the Trophy Club License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Trophy Club License Agreement.

59. Furthermore, Scores Holding is a third-party beneficiary under the Trophy Club License Agreement.

60. Among other things, and subject to certain conditions, limitations and restrictions, the Trophy Club License Agreement permits SCORES PRESENTS: THE TROPHY CLUB

GREENVILLE to use the SCORES Marks to market, advertise and promote activities in connection therewith.

61. Specifically, Paragraph 4 of the Trophy Club License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

62. Upon information and belief, at all relevant times the Trophy Club License Agreement has been in effect, neither High Five, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES PRESENTS: THE TROPHY CLUB GREENVILLE, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by High Five, its directors, officers, members, managers, employees and/or agents.

63. Upon information and belief, at the very least, three (3) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet

associated with SCORES PRESENTS: THE TROPHY CLUB GREENVILLE, as depicted in **Exhibit 5** annexed hereto.

64. Additionally, Paragraph 5 of the Trophy Club License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

65. Moreover, Paragraph 7 of the Trophy Club License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

66. Paragraph 10 of the Trophy Club License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

67. Paragraph 10 of the Trophy Club License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

68. Following commencement of the underlying action, Scores Holding sought confirmation from High Five that it would comply with it indemnification and other applicable obligations as provided for in the Trophy Club License Agreement as it concerns the claims asserted in the Amended Complaint; however, High Five has failed to respond to such request.

69. Lastly, Paragraph 19 of the Trophy Club License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores Baltimore

70. On or about February 27, 2004, Entertainment Management entered into a "Sublicense Agreement" with Club 2000, in which Club 2000 was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Baltimore, Maryland, to be operated under the name SCORES BALTIMORE (the "Scores Baltimore License Agreement").

71. In connection with Entertainment Management's dissolution, Scores Holding became the successor and assignee of the Scores Baltimore License Agreement including to all rights, interests and obligations thereunder.

72. Upon information and belief, SCMD is the successor-in-interest to Club 2000 and presently owns, operates, controls and/or manages SCORES BALTIMORE, and is the assignee of all rights, interests and obligations under the Scores Baltimore License Agreement.

73. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Baltimore License Agreement permits SCORES BALTIMORE to use the SCORES Marks to market, advertise and promote activities in connection therewith.

74. Specifically, Paragraph 3 of the Scores Baltimore License Agreement entitled "Approval By Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by the Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by the Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonable [sic] withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty four (24) hours of receiving all materials and media for approval. Licensor will also have approval over the general use of the Scores Trademark in connection with the Business so as to preserve the value, goodwill and reputation of the Scores Trademarks, which approval shall not be unreasonably withheld.

75. Upon information and belief, at all relevant times the Scores Baltimore License Agreement has been in effect, neither Club 2000 or SCMD, nor any of their directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Entertainment Management and/or Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES BALTIMORE, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Club 2000 and/or SCMD, their directors, officers, members, managers, employees and/or agents.

76. Upon information and belief, at the very least, five (5) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES BALTIMORE, as depicted in **Exhibit 6** annexed hereto.

77. Additionally, Paragraph 4 of the Scores Baltimore License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

78. Paragraph 9 of the Scores Baltimore License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated, [or] controlled company.

79. Paragraph 9 of the Scores Baltimore License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $1,000,000/$1,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

80. Following commencement of the underlying action, Scores Holding sought confirmation from Club 2000 (and SCMD) that it would comply with its indemnification and other applicable obligations as provided for in the Scores Baltimore License Agreement as it concerns the claims asserted in the Amended Complaint; however, Club 2000 (and SCMD) has failed to respond to such request.

81. Lastly, Paragraph 15 of the Scores Baltimore License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United States of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New

> York, County of New York or the Federal courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores North Carolina

82. On or about February 10, 2014, Scores Licensing entered into a "Scores Trademark License Agreement" with Baucom, in which Baucom was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Mooresville, North Carolina, to be operated under the name SCORES NORTH CAROLINA (the "Scores North Carolina License Agreement").

83. Pursuant to Paragraph 1(c) of the Scores North Carolina License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores North Carolina License Agreement.

84. Furthermore, Scores Holding is a third-party beneficiary under the Scores North Carolina License Agreement.

85. Among other things, and subject to certain conditions, limitations and restrictions, the Scores North Carolina License Agreement permits SCORES NORTH CAROLINA to use the SCORES Marks to market, advertise and promote activities in connection therewith.

86. Specifically, Paragraph 4 of the Scores North Carolina License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval,

> provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

87. Upon information and belief, at all relevant times the Scores North Carolina License Agreement has been in effect, neither Baucom, nor any of his directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES NORTH CAROLINA, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Baucom, his directors, officers, members, managers, employees and/or agents.

88. Upon information and belief, at the very least, fifteen (15) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES NORTH CAROLINA, as depicted in **Exhibit 7** annexed hereto.

89. Additionally, Paragraph 5 of the Scores North Carolina License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

90. Moreover, Paragraph 8 of the Scores North Carolina License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

91. Paragraph 11 of the Scores North Carolina License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

92. Paragraph 11 of the Scores North Carolina License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

93. Following commencement of the underlying action, Scores Holding sought confirmation from Baucom that he would comply with his indemnification and other applicable obligations as provided for in the Scores North Carolina License Agreement as it concerns the claims asserted in the Amended Complaint; however, Baucom has failed to respond to such request.

94. Lastly, Paragraph 20 of the Scores North Carolina License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores West

95. On or about July 1, 2014, Scores Licensing entered into a "Scores Presents Trademark License Agreement" with Manhattan Fashion, in which Manhattan Fashion was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Harvey, Louisiana, to be operated under the name SCORES WEST (the "Scores West License Agreement").

96. Pursuant to Paragraph 1(c) of the Scores West License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores West License Agreement.

97. Furthermore, Scores Holding is a third-party beneficiary under the Scores West License Agreement.

98. Among other things, and subject to certain conditions, limitations and restrictions, the Scores West License Agreement permits SCORES WEST to use the SCORES Marks to market, advertise and promote activities in connection therewith.

99. Specifically, Paragraph 4 of the Scores West License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as

> amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

100. Upon information and belief, at all relevant times the Scores West License Agreement has been in effect, neither Manhattan Fashion, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES WEST, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Manhattan Fashion, its directors, officers, members, managers, employees and/or agents.

101. Upon information and belief, at the very least, seven (7) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES WEST, as depicted in **Exhibit 8** annexed hereto.

102. Additionally, Paragraph 5 of the Scores West License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

103. Moreover, Paragraph 8 of the Scores West License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

104. Paragraph 11 of the Scores West License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

105. Paragraph 11 of the Scores West License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $1,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

106. Following commencement of the underlying action, Scores Holding sought confirmation from Manhattan Fashion that it would comply with its indemnification and other applicable obligations as provided for in the Scores West License Agreement as it concerns the claims assert in the Amended Complaint; however, Manhattan Fashion has failed to respond to such request.

107. Lastly, Paragraph 20 of the Scores West License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores Chicago

108. On or about July 13, 2003, Entertainment Management entered into a "Sublicense Agreement" with Stone Park, in which Stone Park was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Chicago, Illinois, to be operated under the name SCORES CHICAGO (the "Scores Chicago License Agreement").

109. In connection with Entertainment Management's dissolution, Scores Holding became the successor and assignee of the Scores Chicago License Agreement including to all rights, interests and obligations thereunder.

110. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Chicago License Agreement permits SCORES CHICAGO to use the SCORES Marks to market, advertise and promote activities in connection therewith.

111. Specifically, Paragraph 3 of the Scores Chicago License Agreement entitled "Approval By Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by the Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by the Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonable [sic] withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty four (24) hours of receiving all materials and media for approval.

112. Upon information and belief, at all relevant times the Scores Chicago License Agreement has been in effect, neither Stone Park, nor any of its directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Entertainment Management and/or Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES CHICAGO, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Stone Park, its directors, officers, members, managers, employees and/or agents.

113. Upon information and belief, at the very least, two (2) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES CHICAGO, as depicted in **Exhibit 9** annexed hereto.

114. Additionally, Paragraph 4 of the Scores Chicago License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

115. Paragraph 9 of the Scores Chicago License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated, [or] controlled company.

116. Paragraph 9 of the Scores Chicago License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

117. Following commencement of the underlying action, Scores Holding sought confirmation from Stone Park that it would comply with its indemnification and other applicable obligations as provided for in the Scores Chicago License Agreement as it concerns the claims asserted in the Amended Complaint; however, Stone Park has failed to respond to such request.

118. Lastly, Paragraph 15 of the Scores Chicago License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United States of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York, County of New York or the Federal courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores New Orleans

119. On or about April 2, 2007, Entertainment Management entered into a "Sublicense Agreement" with Silver Bourbon, in which Silver Bourbon was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in New Orleans, Louisiana, to be operated under the name SCORES NEW ORLEANS (the "Scores New Orleans License Agreement").

120. In connection with Entertainment Management's dissolution, Scores Holding became the successor and assignee of the Scores New Orleans License Agreement including to all rights, interests and obligations thereunder.

121. Among other things, and subject to certain conditions, limitations and restrictions, the Scores New Orleans License Agreement permits SCORES NEW ORLEANS to use the SCORES Marks to market, advertise and promote activities in connection therewith.

122. Specifically, Paragraph 3 of the Scores New Orleans License Agreement entitled "Approval By Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by the Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by the Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonable [sic] withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty four (24) hours of receiving all materials and media for approval.

123. Upon information and belief, at all relevant times the Scores New Orleans License Agreement has been in effect, neither Silver Bourbon, nor any of its directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Entertainment Management and/or Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES NEW ORLEANS, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Silver Bourbon, its directors, officers, members, managers, employees and/or agents.

124. Upon information and belief, at the very least, five (5) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES NEW ORLEANS, as depicted in **Exhibit 10** annexed hereto.

125. Additionally, Paragraph 4 of the Scores New Orleans License Agreement entitled "Compliance With Applicable Laws and Standards" provides, in pertinent part:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

126. Moreover, Paragraph 7 of the Scores New Orleans License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

127. Paragraph 9 of the Scores New Orleans License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporation from and against any and all loss and expense arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

128. Paragraph 9 of the Scores New Orleans License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without

> thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

129. Following commencement of the underlying action, Scores Holding sought confirmation from Silver Bourbon that it would comply with its indemnification and other applicable obligations as provided for in the Scores New Orleans License Agreement as it concerns the claims asserted in the Amended Complaint; however, Silver Bourbon has failed to respond to such request.

130. Lastly, Paragraph 16 of the Scores New Orleans License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United States of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York, County of New York or the Federal courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores Tampa

131. On or about September 30, 2010, Scores Holding entered into a license agreement with Tampa Food, in which Tampa Food was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Tampa, Florida, to be operated under the name SCORES TAMPA (the "Scores Tampa License Agreement").

132. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Tampa License Agreement permits SCORES TAMPA to use the SCORES Marks to market, advertise and promote activities in connection therewith.

133. Specifically, Paragraph 3 of the Scores Tampa License Agreement entitled "Approval By Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and

> Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

134. Upon information and belief, at all relevant times the Scores Tampa License Agreement has been in effect, neither Tampa Food, nor any of its directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES TAMPA, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Tampa Food, its directors, officers, members, managers, employees and/or agents.

135. Upon information and belief, at the very least, sixty-three (63) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES TAMPA, as depicted in **Exhibit 11** annexed hereto.

136. Additionally, Paragraph 4 of the Scores Tampa License Agreement entitled "Compliance With Applicable Laws and Standards" provides, in pertinent part:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

137. Moreover, Paragraph 7 of the Scores Tampa License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

138. Paragraph 9 of the Scores Tampa License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporation from and against any and all loss and expense arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

139. Paragraph 9 of the Scores Tampa License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $1,000,000/$1,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

140. Following commencement of the underlying action, Scores Holding sought confirmation from Tampa Food that it would comply with its indemnification and other applicable obligations as provided for in the Scores Tampa License Agreement as it concerns the claims asserted in the Amended Complaint; however, Tampa Food has failed to respond to such request.

141. Lastly, Paragraph 16 of the Scores Tampa License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United States of America and jurisdiction over the parties and subject matter

> over any controversy arising hereunder shall be in the Courts of the State of New York, County of New York or the Federal courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores New Haven

142. Scores Holding entered into a "License Agreement" with Fuun House, in which Fuun House was granted a license, subject to certain terms, conditions and limitations for the use of the SCORES Marks at a gentlemen's club in New Haven, Connecticut, to be operated under the name SCORES NEW HAVEN (the "Scores New Haven License Agreement").

143. Among other things, and subject to certain conditions, limitations and restrictions, the Scores New Haven License Agreement permits SCORES NEW HAVEN to use the SCORES Marks to market, advertise and promote activities in connection therewith.

144. Specifically, Paragraph 2 of the Scores New Haven License Agreement entitled "Approval by Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

145. Upon information and belief, at all relevant times the Scores New Haven License Agreement has been in effect, neither Fuun House, nor any of its directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to

Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES NEW HAVEN, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Fuun House, its directors, officers, members, managers, employees and/or agents.

146. Upon information and belief, at the very least, five (5) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES NEW HAVEN, as depicted in **Exhibit 12** annexed hereto.

147. Additionally, Paragraph 3 of the Scores New Haven License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 [sic] above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

148. Moreover, Paragraph 5 of the Scores New Haven License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

149. Paragraph 9 of the Scores New Haven License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporations from and against any and all loss and expense

> arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

150. Paragraph 8 of the Scores New Haven License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

151. Following commencement of the underlying action, Scores Holding sought confirmation from Fuun House that it would comply with its indemnification and other applicable obligations as provided for in the Scores New Haven License Agreement as it concerns the claims asserted in the Amended Complaint; however, Fuun House has failed to respond to such request.

152. Lastly, Paragraph 16 of the Scores New Haven License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York or the Federal Courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores Detroit

153. On or about December 26, 2012, Scores Holding entered into a "License Agreement" with Norm A, in which Norm A was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Detroit, Michigan, to be operated under the name SCORES DETROIT (the "Scores Detroit License Agreement").

154. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Detroit License Agreement permits SCORES DETROIT to use the SCORES Marks to market, advertise and promote activities in connection therewith.

155. Specifically, Paragraph 3 of the Scores Detroit License Agreement entitled "Approval by Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

156. Upon information and belief, at all relevant times the Scores Detroit License Agreement has been in effect, neither Norm A, nor any of its directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES DETROIT, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Norm A, its directors, officers, members, managers, employees and/or agents.

157. Upon information and belief, at the very least, forty (40) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES DETROIT, as depicted in **Exhibit 13** annexed hereto.

158. Additionally, Paragraph 4 of the Scores Detroit License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

159. Moreover, Paragraph 6 of the Scores Detroit License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

160. Paragraph 9 of the Scores Detroit License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporations from and against any and all loss and expense arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

161. Paragraph 9 of the Scores Detroit License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

162. Following commencement of the underlying action, Scores Holding sought confirmation from Norm A that it would comply with its indemnification and other applicable obligations as provided for in the Scores Detroit License Agreement as it concerns the claims asserted in the Amended Complaint; however, Norm A has failed to respond to such request.

163. Lastly, Paragraph 16 of the Scores Detroit License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York or the Federal Courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores Palm Beach

164. On or about July 18, 2013, Scores Holding entered into a "License Agreement" with Southeast Showclubs and Tomkovich, in which Southeast Showclubs and Tomkovich were granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Palm Beach, Florida, to be operated under the name SCORES PALM BEACH (the "Scores Palm Beach License Agreement").

165. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Palm Beach License Agreement permits SCORES PALM BEACH to use the SCORES Marks to market, advertise and promote activities in connection therewith.

166. Specifically, Paragraph 3 of the Scores Palm Beach License Agreement entitled "Approval by Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to

> inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

167. Upon information and belief, at all relevant times the Scores Palm Beach License Agreement has been in effect, neither Southeast Showclubs or Tomkovich, nor any of their directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES PALM BEACH, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Southeast Showclubs and/or Tomkovich, their directors, officers, members, managers, employees and/or agents.

168. Upon information and belief, at the very least, twenty-nine (29) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES PALM BEACH, as depicted in **Exhibit 14** annexed hereto.

169. Additionally, Paragraph 4 of the Scores Palm Beach License Agreement entitled “Compliance With Applicable Laws and Standards” provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor’s approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee’s obligations hereunder or under Licensee’s obligation to indemnify Licensor as set forth herein below.

170. Moreover, Paragraph 7 of the Scores Palm Beach License Agreement entitled “Warranties” provides, in pertinent part: “(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license.”

171. Paragraph 9 of the Scores Palm Beach License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporations from and against any and all loss and expense arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

172. Paragraph 9 of the Scores Palm Beach License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

173. Following commencement of the underlying action, Scores Holding sought confirmation from Southeast Showclubs and Tomkovich that they would comply with their indemnification and other applicable obligations as provided for in the Scores Palm Beach License Agreement as it concerns the claims asserted in the Amended Complaint; however, Southeast Showclubs and Tomkovich have failed to respond to such request.

174. Lastly, Paragraph 16 of the Scores Palm Beach License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York or the Federal Courts therein. Both parties irrevocably consent to said jurisdiction and venue.

175. Upon information and belief, the Scores Palm Beach License Agreement was terminated on or about April 17, 2015; however, pursuant to paragraph 10(b) any termination of said agreement was "without prejudice to the rights and remedies by either party with respect to any provisions [or] covenants arising out of breaches committed prior to such termination."

Scores Presents: Savannah

176. On or about July 18, 2013, Scores Holding entered into a "License Agreement" with Southeast Showclubs and Tomkovich, in which Southeast Showclubs and Tomkovich were granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Savannah, Georgia, to be operated under the name SCORES PRESENTS: SAVANNAH (the "Scores Savannah License Agreement").

177. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Savannah License Agreement permits SCORES PRESENTS: SAVANNAH to use the SCORES Marks to market, advertise and promote activities in connection therewith.

178. Specifically, Paragraph 3 of the Scores Savannah License Agreement entitled "Approval by Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

179. Upon information and belief, at all relevant times the Scores Savannah License Agreement has been in effect, neither Southeast Showclubs or Tomkovich, nor any of their directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Scores Holding for approval, including any promotional, marketing or other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES PRESENTS: SAVANNAH, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Southeast Showclubs and/or Tomkovich, their directors, officers, members, managers, employees and/or agents.

180. Upon information and belief, at the very least, two (2) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES PRESENTS: SAVANNAH, as depicted in **Exhibit 15** annexed hereto.

181. Additionally, Paragraph 4 of the Scores Savannah License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

182. Moreover, Paragraph 7 of the Scores Savannah License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

183. Paragraph 9 of the Scores Savannah License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporations from and against any and all loss and expense arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

184. Paragraph 9 of the Scores Savannah License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

185. Following commencement of the underlying action, Scores Holding sought confirmation from Southeast Showclubs and Tomkovich that they would comply with their indemnification and other applicable obligations as provided for in the Scores Savannah License Agreement as it concerns the claims asserted in the Amended Complaint; however, Southeast Showclubs and Tomkovich have failed to respond to such request.

186. Lastly, Paragraph 16 of the Scores Savannah License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York or the Federal Courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores Jacksonville

187. On or about July 18, 2013, Scores Holding entered into a "License Agreement" with Southeast Showclubs and Tomkovich, in which Southeast Showclubs and Tomkovich were granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Jacksonville, Florida, to be operated under the name SCORES JACKSONVILLE (the "Scores Jacksonville License Agreement").

188. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Jacksonville License Agreement permits SCORES JACKSONVILLE to use the SCORES Marks to market, advertise and promote activities in connection therewith.

189. Specifically, Paragraph 3 of the Scores Jacksonville License Agreement entitled "Approval by Licensor" provides:

> In order to preserve the value, goodwill and reputation of the Scores Trademarks, Licensee and Licensor shall consult each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and Licensor will have the right to approve (not to be unreasonably withheld), all advertisements, promotional, marketing and other similar materials, including but not limited to the images and format of Diamond Dollars® for the Location. Furthermore, prior to releasing or using any promotional, marketing, advertising or other similar materials which have not been approved by Licensor in the twenty-four (24) month period preceding the proposed use or in the event Licensee intends to utilize any such materials which have been used in the past 24 months but intends to do so in a media not used by Licensor in the 24-month period preceding the proposed use, Licensee shall first obtain the prior written consent of Licensor for such use, which shall not be unreasonably withheld. In connection with obtaining such consent, Licensee shall send copies of all materials and media for the proposed use so that Licensor can thoroughly evaluate the proposed use. Licensor agrees to inform the Licensee of its decision regarding any approvals within twenty-four (24) hours of receiving all materials and media for approval.

190. Upon information and belief, at all relevant times the Scores Jacksonville License Agreement has been in effect, neither Southeast Showclubs or Tomkovich, nor any of their directors, officers, members, managers and/or employees submitted any promotional, marketing or other similar materials to Scores Holding for approval, including any promotional, marketing or

other similar materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES JACKSONVILLE, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Southeast Showclubs and/or Tomkovich, their directors, officers, members, managers, employees and/or agents.

191. Upon information and belief, at the very least, six (6) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES JACKSONVILLE, as depicted in **Exhibit 16** annexed hereto.

192. Additionally, Paragraph 4 of the Scores Jacksonville License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee is responsible for the compliance with all applicable laws and safety standards regarding the operation of the Business, the Location, other licensed locations and the use of the Scores Trademarks herein. Licensor's approval of submissions pursuant to Paragraph 3 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or under Licensee's obligation to indemnify Licensor as set forth herein below.

193. Moreover, Paragraph 7 of the Scores Jacksonville License Agreement entitled "Warranties" provides, in pertinent part: "(e) … Licensee further warrants that it has not intentionally violated, and will not intentionally violate, the rights of any third party in accepting this license."

194. Paragraph 9 of the Scores Jacksonville License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless Licensor, its agents and employees from and against any and all loss and expense arising out of any claims of . . . negligence, strict liability or other similar action, in addition to the breach of any of its warranties hereunder or the violation of any applicable law or safety standard based on the use of the Scores Trademarks by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any) . . . Licensee shall indemnify, defend and hold harmless Licensor, its agents, employees and affiliate or parent corporations from and against any and all loss and expense

> arising out of any breach by Licensee of any term of, or warranty made, in this Agreement.

195. Paragraph 9 of the Scores Jacksonville License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . policies must provide coverage of at least $3,000,000/$3,000,000, naming Licensor as an additional insured, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to Licensor . . . All insurance shall be primary and not contributory.

196. Following commencement of the underlying action, Scores Holding sought confirmation from Southeast Showclubs and Tomkovich that they would comply with their indemnification and other applicable obligations as provided for in the Scores Jacksonville License Agreement as it concerns the claims asserted in the Amended Complaint; however, Southeast Showclubs and Tomkovich have failed to respond to such request.

197. Lastly, Paragraph 16 of the Scores Jacksonville License Agreement entitled "Controlling Law" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America and jurisdiction over the parties and subject matter over any controversy arising hereunder shall be in the Courts of the State of New York or the Federal Courts therein. Both parties irrevocably consent to said jurisdiction and venue.

Scores Palm Beach II

198. On or about August 31, 2015, Scores Licensing entered into a "Scores Trademark License Agreement" with Palm Springs, in which Palm Springs was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Palm Springs, Florida to be operated under the name SCORES PALM BEACH (the "Scores Palm Beach II License Agreement").

199. Pursuant to Paragraph 1(c) of the Scores Palm Beach II License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores Palm Beach II License Agreement.

200. Furthermore, Scores Holding is a third-party beneficiary under the Scores Palm Beach II License Agreement.

201. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Palm Beach II License Agreement permits SCORES PALM BEACH II to use the SCORES Marks to market, advertise and promote activities in connection therewith.

202. Specifically, Paragraph 4 of the Scores Palm Beach II License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

203. Upon information and belief, at all relevant times the Scores Palm Beach II License Agreement has been in effect, neither Palm Springs, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+

associated with SCORES PALM BEACH II, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Palm Springs, its directors, officers, members, managers, employees and/or agents.

204. Upon information and belief, at the very least, twenty-nine (29) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES PALM BEACH II, as depicted in **Exhibit 17** annexed hereto.

205. Additionally, Paragraph 5 of the Scores Palm Beach II License Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

206. Moreover, Paragraph 7 of the Scores Palm Beach II License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

207. Paragraph 10 of the Scores Palm Beach II License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

208. Paragraph 10 of the Scores Palm Beach II License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $1,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

209. Following commencement of the underlying action, Scores Holding sought confirmation from Palm Springs that it would comply with its indemnification and other applicable obligations as provided for in the Scores Palm Beach II License Agreement as it concerns the claims asserted in the Amended Complaint; however, Palm Springs has failed to respond to such request.

210. Lastly, Paragraph 19 of the Scores Palm Beach II License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores Houston

211. On or about February 14, 2014, Scores Licensing entered into a "Scores Trademark License Agreement" with Houston KP, in which Houston KP was granted a license, subject to certain terms, conditions and limitations, for the use of the SCORES Marks at a gentlemen's club in Houston, Texas, to be operated under the name SCORES HOUSTON (the "Scores Houston License Agreement").

212. Pursuant to Paragraph 1(c) of the Scores Houston License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores Houston License Agreement.

213. Furthermore, Scores Holding is a third-party beneficiary under the Scores Houston License Agreement.

214. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Houston License Agreement permits SCORES HOUSTON to use the SCORES Marks to market, advertise and promote activities in connection therewith.

215. Specifically, Paragraph 4 of the Scores Houston License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

216. Upon information and belief, at all relevant times the Scores Houston License Agreement has been in effect, neither Houston KP, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+

associated with SCORES HOUSTON, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Houston KP, its directors, officers, members, managers, employees and/or agents.

217. Upon information and belief, at the very least, eight (8) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES HOUSTON, as depicted in **Exhibit 18** annexed hereto.

218. Additionally, Paragraph 5 of the Scores Houston Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

219. Moreover, Paragraph 8 of the Scores Houston License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

220. Paragraph 11 of the Scores Houston License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

221. Paragraph 11 of the Scores Houston License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

222. Following commencement of the underlying action, Scores Holding sought confirmation from Houston KP that it would comply with its indemnification and other applicable obligations as provided for in the Scores Houston License Agreement as it concerns the claims asserted in the Amended Complaint; however, Houston KP has failed to respond to such request.

223. Lastly, Paragraph 20 of the Scores Houston License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

Scores Atlantic City

224. On or about December 9, 2013, Scores Licensing entered into a "Scores Trademark License Agreement" with Star Light, in which Star Light was granted a license, subject to certain terms, conditions and limitations for the use of the SCORES Marks at a gentlemen's club in Atlantic City, New Jersey, to be operated under the name SCORES ATLANTIC CITY (the "Scores Atlantic City License Agreement").

225. Pursuant to Paragraph 1(c) of the Scores Atlantic City License Agreement, Scores Holding is defined as the "Owner" of the SCORES Marks and, as such, Scores Holding holds certain rights and interests under the Scores Atlantic City License Agreement.

226. Furthermore, Scores Holding is a third-party beneficiary under the Scores Atlantic City License Agreement.

227. Among other things, and subject to certain conditions, limitations and restrictions, the Scores Atlantic City License Agreement permits SCORES ATLANTIC CITY to use the SCORES Marks to market, advertise and promote activities in connection therewith.

228. Specifically, Paragraph 4 of the Scores Atlantic City License Agreement entitled "Approvals" provides:

> In order to preserve the value, goodwill and reputation of the SCORES Trademarks, Licensee and SLC shall consult with each other during the Term hereof with regard to any marketing, advertising or promotional activities pursuant to the Business and SLC will have the right to pre-approve in writing, (in its sole discretion), all advertisements, promotional, marketing and other similar materials, including but not limited to, the images and format of the Diamond Dollars™ and the images of the SCORES Trademarks for the Business (collectively, the "Promotional Materials") in order to ensure consistent quality of same and adherence to any brand or marketing guidelines provided by SLC. Prior to using any Promotional Materials, Licensee shall send copies of all proposed Promotional Materials to SLC for SLC and/or Owner's review. SLC agrees to use commercially reasonable efforts to inform the Licensee of the decision regarding any approvals within ten (10) days of receiving Promotional Materials for approval, provided, however, that SLC's failure to provide such approvals during such 10-day period shall not be deemed to constitute approval. All Promotional Materials shall be deemed "works made for hire," pursuant to the Copyright Act of 1976, as amended, and all rights in and to the copyrights to such Promotional Materials shall be owned by Owner.

229. Upon information and belief, at all relevant times the Scores Atlantic City License Agreement has been in effect, neither Star Light, nor any of its directors, officers, members, managers and/or employees submitted any Promotional Materials to Scores Licensing and/or Scores Holding for approval, including any Promotional Materials published and/or disseminated on any websites and/or social media outlets, such as Facebook, Twitter, Instagram and/or Google+ associated with SCORES ATLANTIC CITY, including those implicated in the Amended Complaint, which are owned, operated, controlled and/or managed by Star Light, its directors, officers, members, managers, employees and/or agents.

230. Upon information and belief, at the very least, thirteen (13) of the images implicated in the Amended Complaint were published and/or disseminated on a website and/or social media outlet associated with SCORES ATLANTIC CITY, as depicted in **Exhibit 19** annexed hereto.

231. Additionally, Paragraph 5 of the Scores Atlantic City Agreement entitled "Compliance With Applicable Laws and Standards" provides:

> Licensee shall comply with all applicable laws, codes, regulations, orders and safety standards regarding the operation of the Business and the use of the SCORES Trademarks herein. SLC's approval of Promotional Materials pursuant to Section 4 above in no way affects, alters, diminishes or waives Licensee's obligations hereunder or Licensee's obligations to indemnify SLC as set forth below.

232. Moreover, Paragraph 8 of the Scores Houston License Agreement entitled "Representations and Warranties of Licensee" provides, in pertinent part: "(b) Licensee hereby represents and warrants . . . that all Promotional Materials used by Licensee in connection with this Agreement will not infringe any copyright, trademark, trade dress or other intellectual property right of any third party."

233. Paragraph 11 of the Scores Atlantic City License Agreement entitled "Indemnification" provides, in relevant part:

> (b) Licensee agrees to indemnify, defend, and hold harmless SLC and Owner, and their subsidiaries, affiliates and licensor(s), and their shareholders, officers, directors, agents and employees from and against any and all claim, action, loss, expense, damages, or judgment arising out of or related to any claims of . . . negligence, strict liability or similar action . . . and all claims or suits arising from the breach by Licensee of any of its third-party contracts or obligations or warranties under this Agreement or the violations of any applicable law or safety standard by or on behalf of Licensee and/or its subsidiary, affiliated or controlled company (if any).

234. Paragraph 11 of the Scores Atlantic City License Agreement further provides, in relevant part:

> Licensee shall maintain, at its sole cost and expense . . . commercial liability coverage and other customary insurance. The . . . commercial . . . insurance policies carried by Licensee must provide AAA insurance coverage of at least $3,000,000 per occurrence, naming SLC and Owner as additional insureds, and providing that such policy cannot be cancelled without thirty (30) days prior written notice to SLC . . . All insurance shall be primary and not contributory.

235. Following commencement of the underlying action, Scores Holding sought confirmation from Houston KP that it would comply with its indemnification and other applicable obligations as provided for in the Scores Atlantic City License Agreement as it concerns the claims asserted in the Amended Complaint; however, Houston KP has failed to respond to such request.

236. Lastly, Paragraph 20 of the Scores Atlantic City License Agreement entitled "Controlling Law; Venue" provides:

> This Agreement shall be construed in accordance with the laws of the State of New York, United State[s] of America, and jurisdiction over the Parties and subject matter of this Agreement with respect to any controversy arising hereunder, in whole or in part, shall be exclusively in the federal or state courts located in the State of New York, County of New York. The Parties hereby irrevocably consent to the exclusive jurisdiction and venue of such courts.

THE THIRD-PARTY DEFENDANTS ARE SOLELY RESPONSIBLE UNDER THEIR RESPECTIVE LICENSE AGREEMENTS FOR THE CLAIMED MISCONDUCT ALLEGED IN THE AMENDED COMPLAINT

237. Upon information and belief, each of the respective Third-Party Defendants is solely responsible for the claimed publication and misuse of the images of Plaintiffs as described in the Amended Complaint and which were allegedly disseminated on the Third-Party Defendants' respective websites and/or social media outlets.

238. In breach of the express terms of the license agreements, each of the respective Third-Party Defendants failed to send or submit any promotional, marketing, advertising or other similar materials, as required under the license agreements, to Scores Holding or its affiliates,

including all such materials containing the images of Plaintiffs allegedly displayed on the websites and social media outlets implicated in the Amended Complaint.

239. To the extent any of the Third-Party Defendants' alleged use, publication and/or dissemination of the images of Plaintiffs implicated in the Amended Complaint violated or infringed the rights of Plaintiffs, each of the Third-Party Defendants are in breach of their express representations and warranties as provided for in their respective license agreements, namely that any promotional, marketing, advertising or other similar materials they use would not violate or infringe the rights of any third-parties, such as the Plaintiffs.

240. Any prohibited and/or unauthorized use of the images of Plaintiffs implicated in the Amended Complaint by the Third-Party Defendants was done entirely without the knowledge or consent of Scores Holding or any of its affiliates.

241. Despite each of the Third-Party Defendants' express obligations, under the terms of their respective license agreements, to indemnify, defend and hold Scores Holding harmless along with its affiliates, officers, directors, employees and others from and against all of the claims asserted in the Amended Complaint, each of the Third-Party Defendants has failed to comply with such obligations.

242. Moreover, pursuant to the express terms of the Third-Party Defendants' respective license agreements, each such Third-Party Defendant was obligated to procure insurance naming Scores Holding as an additional insured under such policy(ies); however, upon information and belief, each of the Third-Party Defendants have failed to comply with such obligation in breach of their respective license agreement.

FIRST CAUSE OF ACTION
(Breach of Contract:
Failure to Submit Plaintiffs' Alleged Images for Approval)

243. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

244. The license agreements entered into with each of the Third-Party Defendants are valid and binding contracts.

245. Scores Holding and/or its predecessors and affiliates performed each and every one of their obligations under the respective license agreements.

246. Prior to using any promotional, marketing, advertising or other similar materials, Third-Party Defendants were obligated, under their respective license agreements, to submit such materials to Scores Holding for review and approval.

247. Third-Party Defendants failed to submit to Scores Holding for review and approval the images allegedly of Plaintiffs identified in the Amended Complaint prior to, upon information and belief, using, publishing and/or disseminating such images thereby breaching the terms of the respective license agreements.

248. As a direct and proximate result of the foregoing breaches of the Third-Party Defendants' license agreements, Scores Holding has been damaged in an amount to be determined at trial, plus interest.

SECOND CAUSE OF ACTION
(Breach of Warranty:
Failure to Ensure The Alleged Images of Plaintiffs Did Not Violate Any Third-Party Rights)

249. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

250. Under the license agreements, each of the Third-Party Defendants represented and warranted that all promotional, marketing, advertising and other similar materials used and/or

disseminated by any such Third-Party Defendants would not violate and/or infringe, either intentionally or otherwise, any copyright, trademark, trade dress or other property right of any third-party.

251. Upon information and belief, Third-Party Defendants breached such express warranty by utilizing, publishing and/or disseminating on their respective websites and/or social media outlets the images allegedly of Plaintiffs identified in the Amended Complaint without all appropriate permissions, authorizations, releases or licenses allegedly in violation of the rights of Plaintiffs.

252. As a direct and proximate result of the foregoing breaches of the express warranties set forth in the Third-Party Defendants' license agreements, Scores Holding has been damaged in an amount to be determined at trial, plus interest.

THIRD CAUSE OF ACTION
(Declaratory Relief: Contractual Indemnification)

253. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

254. As provided for in the respective license agreements, Third-Party Defendants expressly agreed to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors, employees and others from and against the claims asserted in the Amended Complaint.

255. Following commencement of the above-captioned action, Scores Holding sought confirmation from each of the Third-Party Defendants that they would comply with their indemnification obligations as provided for in the respective Third-Party Defendant license agreements. However, each such Third-Party Defendant failed to acknowledge or comply with such indemnification obligations.

256. Scores Holding is entitled to a declaration that the Third-Party Defendants are contractually obligated to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors, employees and others from the claims asserted by Plaintiffs in the Amended Complaint.

FOURTH CAUSE OF ACTION
(Breach of Contract: Contractual Indemnification)

257. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

258. Each of the Third-Party Defendants are in breach of their respective contractual obligations by failing and refusing to fulfill their contractual obligations to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors, employees and others from Plaintiffs' claims asserted in the Amended Complaint.

259. As a direct and proximate result of Third-Party Defendants' breach of their respective contractual indemnification, defense and hold-harmless obligations, Scores Holding has been damaged in an amount to be determined at trial, plus interest.

FIFTH CAUSE OF ACTION
(Common Law Indemnification)

260. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

261. To the extent that Plaintiffs are held to have suffered any injuries or damages as a result of the allegations set forth in the Amended Complaint then, upon information and belief, said alleged injuries and damages were caused solely by the conduct of each of the Third-Party Defendants.

262. To the extent that Plaintiffs are held to have suffered any injuries or damages as a result of the allegations set forth in the Amended Complaint, and it is found that Scores Holding is

liable to Plaintiffs, in whole in part, all of which is specifically denied, then Scores Holding is entitled to common law indemnification from, and judgment over, each of the Third-Party Defendants for any resulting judgment, verdict or settlement that Plaintiffs may recover as against Scores Holding, to the extent caused by said Third-Party Defendant.

263. Accordingly, as a matter of law, each of the Third-Party Defendants is obligated to indemnify, defend and hold-harmless, and to reimburse, Scores Holding for all expenses, including, without limitation, attorneys' fees and costs incurred arising from, or relating to, the defense of the claims asserted against Scores Holding in the Amended Complaint, and for any resulting payment or settlement or by verdict or judgment entered in connection therewith, to the extent caused by said Third-Party Defendant.

SIXTH CAUSE OF ACTION
(Contribution)

264. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

265. Scores Holding denies any culpability for the claims asserted by Plaintiffs in the Amended Complaint.

266. To the extent that Plaintiffs are held to have suffered any injuries or damages as a result of the allegations set forth in the Amended Complaint then, upon information and belief, said alleged injuries and damages were caused solely by the conduct of each of the Third-Party Defendants, including, but not limited to, their failure to obtain all appropriate permissions, releases or licenses, other culpable conduct, violation of statutory duties, breach of contract, misrepresentation, negligence, recklessness and/or other tortious conduct, arising from, or relating to, the alleged use and/or dissemination of the images of Plaintiffs identified in the Amended Complaint.

267. To the extent that Plaintiffs are held to have suffered any injuries or damages as a result of the allegations set forth in the Amended Complaint, and it is found that Scores Holding is liable to Plaintiffs, in whole or in part, all of which is specifically denied, then Scores Holding is entitled to contribution from, and judgment over, each of the Third-Party Defendants for any resulting judgment, settlement or verdict that Plaintiffs may recover against Scores Holding, to the extent caused by said Third-Party Defendant.

SEVENTH CAUSE OF ACTION
(Breach of Contract – Failure to Procure Insurance)

268. Third-Party Plaintiff repeats and re-alleges each and every allegation in the preceding paragraphs as if fully set forth herein.

269. Pursuant to the express terms of the Third-Party Defendants' respective license agreements, each such Third-Party Defendant was obligated to procure insurance naming Scores Holding as an additional insured under such policy(ies).

270. Upon information and belief, each such Third-Party Defendant is in breach of their respective license agreements by failing to obtain insurance on behalf of Scores Holding and is liable for all resulting damages caused thereby.

271. As a direct and proximate result of the foregoing breaches of the Third-Party Defendants' license agreements, Scores Holding has been damaged in an amount to be determined at trial, plus interest.

JURY DEMAND

272. Third-Party Plaintiff demands a trial by jury of any issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Third-Party Plaintiff demands the following relief:

(1) on its First and Second Causes of Action, an award of damages in an amount to be determined at trial;

(2) on its Third Cause of Action, a declaration and judgment that the Third-Party Defendants are obligated and compelled under their respective license agreements to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors, employees and others from any and all liability, damages, judgments, costs and expenses, including, without limitation, all costs and attorneys' fees incurred in connection with the above-captioned action and/or the Amended Complaint;

(3) on its Fourth Cause of Action, an award of damages in an amount to be determined at trial;

(4) on its Fifth Cause of Action, a declaration and judgment that the Third-Party Defendants are obligated and compelled, as a matter of law, to indemnify, defend and hold harmless Scores Holding and its affiliates, officers, directors, employees and others from any and all liability, damages, judgments, costs and expenses, including, without limitation, all costs and attorneys' fees incurred in connection with the above-captioned action and/or the Amended Complaint;

(5) on its Sixth Cause of Action, judgment that Third-Party Defendants are liable for contribution to Scores Holding for all or part of any resulting verdict, judgment or settlement against Scores Holding in connection with the Amended Complaint and this Third-Party Action, including, but not limited to, all attorneys' fees, costs, interest, and other expenses;

(6) on its Seventh Cause of Action, an award of damages to Scores Holding in an amount to be determined at trial;

(7) awarding Scores Holding pre-judgment and post-judgment interest to the maximum extent provided by law;

(8) awarding Scores Holding its legal fees, costs and disbursements in connection with its defense of this action and prosecution of this Third-Party Action; and

(9) granting Scores Holding such other and further relief as the Court deems just and proper.

Dated: April 20, 2017
New York, New York

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